



## Self Study Package (SSP)

# Federal Employees Group Life Insurance (FEGLI) Program for HR Specialist and Assistant

SATERN ID# - NSSC-HRFEGLI-SSP  
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## Federal Employees Group Life Insurance (FEGLI)

The materials in this Self Study Package (SSP) are **DESIGNED FOR INSTRUCTIONAL PURPOSES ONLY**. The content is designed to emphasize important aspects of the Federal Employees Group Life Insurance (FEGLI) Program and to provide an opportunity to apply learned concepts in hypothetical situations. This Self Study Package is **NOT** to be cited as an authority for the FEGLI Program.

Submit recommended improvements/corrections to the Service Delivery Support Training Department at C Road, Building 1111, John C. Stennis Space Center, MS 39529 or email [NSSC.SP-Training@nasa.gov](mailto:NSSC.SP-Training@nasa.gov).

### Coordination and Approval of the SSP

The Service Delivery Human Resources Manager is the approval authority. Human Resources (HR) representatives and training personnel coordinate on the SSP learning content.

### Course Design

This course uses a question-and-answer method of instruction. This means that a series of assessment questions serve as a means of acquainting you with the subject matter and the functions that a HR specialist or assistant performs at the National Aeronautics and Space Administrations (NASA) Shared Services Center (NSSC).

### Using the Links Provided in this Course

In this course, we provide you with links within the course to enable you to move easily among the course lessons and guidelines. The table of contents provides active links to the course text. Just click to move to the section you want to view. Also provided are links to laws and regulations, as well as online references.

Course text, laws, regulations, and other guidelines are provided in Adobe Acrobat format as .PDF files. You have already loaded Adobe Acrobat Reader on your computer; therefore, to see any reference you need only click on the highlighted link to go directly to the pertinent information. When you have finished with the link, you can return to the place you left by clicking on the back arrow on the Acrobat toolbar.

As stated above, to access online references provided, simply click on the highlighted link. If your Internet connection is active, your browser will launch and the reference will appear in the browser window. To return to the place you left in the course, click on the X in the top right-hand corner of the browser window.

### Guidelines Utilized:

- [The Federal Employees Group Life Insurance Handbook](#)
- [NASA Employee Benefits Handbook](#)
- [NSSC-HR-SDG-0035, "Benefits Processing"](#)
- [Guide to Processing Personnel Actions](#)

## Overview of Guidelines

The [FEGLI Program](#) Handbook is issued by the Office of Personnel Management (OPM). This Office has executive oversight over all HR matters pertaining to the Executive Branch of the Federal government.

The Handbook provides the policies and procedures for the FEGLI Program that pertains to all those enrolled in the FEGLI Program and their employing offices. The policies and procedures contained in this Handbook reflect legal requirements mandated by law under Title 5 of the United States Code and regulatory requirements under the Code of Federal Regulations (CFR).

As a supplement to these documents, OPM also issues Benefits Administration Letters (BALs). The BALs provide guidance to agencies on various aspects of Federal benefits administration. Federal processes for documenting insurance changes are found in Chapter 22 of the Guide to Processing Personnel Actions. In addition to these guidelines, agencies also issue guidelines on implementation of these programs within their agencies. NASA policy is contained in NASA Procedural Requirements (NPR) directives specifically [NPR 3800.1 \(Subj: Employee Benefits\)](#). NASA has also issued a NASA Benefits Handbook for employee reference.

General requirements for NSSC performance of this function and a description of roles and responsibilities are contained in the Service Delivery Guide (SDG).

**The FEGLI Handbook will be used most frequently on a day-to-day basis. You should check this Handbook first before providing any details on life insurance to an employee.**

### SATERN Learning Plan Update

Once you have completed this SSP, log on to SATERN and record the learning item in your learning plan. For directions, click on this link "[Instructions on How to Record Items to your Learning History](#)".

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## Overview of the Self Study Package (SSP)

To help you gain a better understanding of the **FEGLI Program**, the NSSC has designed this SSP to aid you in your assigned duties and responsibilities.

**NOTE: You must complete the pre-assessment first before you complete this SSP and post Assessment. Log on to SATERN and complete the item Titled “NSSC-FEDERAL EMPLOYEES GROUP LIFE INSURANCE PRE-ASSESSMENT” under your learning plan**

The NSSC’s educational strategy is designed to provide HR Benefits Specialists and Assistants with a framework to help in answering any questions, and assist Federal employees in the analysis and decision-making needed to achieve their insurance and benefits goals. The focus of the educational strategy is to broaden knowledge of the FEGLI program for the Federal employees assigned to work at NASA.

## Course Outline

The 72-hour SSP is designed to provide information on the following learning objectives.

Objective	Description
NSSC-HRFEGLI-001_01	FEGLI Terminology
NSSC-HRFEGLI-001_02	Types of Insurance and Benefit Amounts
NSSC-HRFEGLI-001_03	FEGLI Eligibility
NSSC-HRFEGLI-001_04	Insurance Premiums and Withholdings
NSSC-HRFEGLI-001_05	FEGLI Changes
NSSC-HRFEGLI-001_06	Designation of Beneficiary and Assignment of Benefits
NSSC-HRFEGLI-001_07	FEGLI and Retirement
NSSC-HRFEGLI-001_08	FEGLI Survivor Benefits Claims
NSSC-HRFEGLI-001_09	Processing FEGLI Actions

## Lesson

## 1

# General Federal Employees Group Life Insurance (FEGLI) Terminology

## Lesson 1 – NSSC-HRFEGLI-001\_01, FEGLI Terminology

### Lesson Objective

At the end of the lesson you will be able to...

Define general terminology that is commonly used and related to the FEGLI Program with 85% accuracy.

### Introduction

The National Aeronautics and Space Administration (NASA) Shared Services Center (NSSC) is responsible for providing general administrative, advisory, and transactional support for employee health, life, retirement, and survivor benefits. The NSSC will handle the administration of benefits in accordance with all pertinent Federal and NASA regulations to provide the customer with timely, accurate, and comprehensive counseling, calculations, and processing of entitlements.

As a HR Specialist or Assistant, you will be required to have a working knowledge of the FEGLI Program so that you may provide accurate and correct general administrative, advisory, and transactional support for employee health, life, retirement, and survivor benefits.

To carry out these functions, you must be able to find and use the relevant OPM Manual and NASA regulations related to the FEGLI Program. You must also become familiar with the terminology and the basic concepts related to the program to facilitate handling the day-to-day FEGLI matters.

## Lesson 1 - Terminology

As you begin this training, the objective is to acquaint you with the types of insurance and terminology that are commonly used within the FEGLI program. Click on the following link to complete the exercise below.



[“FEGLI Terminology”](#)

### Exercise 1 - Terminology

In the space provided, write the definition of each term in accordance with the [FEGLI Handbook](#).

Term	Definition
1. Age Multiplication Factor	
2. Assignment	
3. Cancellation of Insurance	
4. Compensation	
5. Conversion	
6. Court Order	
7. Incontestability	
8. Life Event	
9. OFEGLI	
10. OPM	
11. Order of Precedence	

Term	Definition
12. OWCP	
13. Open Season	
14. Viatical Settlement Firm	
15. Waiver	



Check your answers in Appendix A before completing the next objective.



## Lesson

## 2

# Federal Employees Group Life Insurance (FEGLI)

## Types of Insurance and Benefit Amounts

### Lesson 2 – NSSC-HRFEGLI-001\_02, Types of Insurance and Benefit Amounts

#### Lesson Objective

At the end of this lesson, you will be able to...

2a. Identify the types of insurance available with 85% accuracy.

2b. Calculate the insurance benefits payable based on the type of insurance coverage with 100% accuracy.

#### Introduction

The [FEGLI Handbook](#) contains information about the types of insurance available. The Handbook should be read in detail and referred to whenever a question arises. In summary, FEGLI provides group term life insurance coverage. This type of insurance does not have any cash or paid-up value and an employee cannot get a loan by borrowing from the insurance. It pays a sum of money to a beneficiary upon the death of the employee. The payroll office deducts premiums from the employee's paycheck unless the employee waives the coverage. There are no preexisting conditions that disqualify an employee from enrollment.

#### Lesson 2a - TYPES OF INSURANCE

There are two types of life insurance under the FEGLI Program: **Basic and Optional**.

There are also three kinds of Optional insurance coverage:

- Option A (standard optional insurance),
- Option B (additional optional insurance; and,
- Option C (family optional insurance)

An employee **must have Basic insurance** to enroll in any of the optional insurance types.

While it is our duty to provide information to employees about the types of insurance available and the cost, we *are never to advise* employees on which options to choose.

## Lesson 2b - BENEFIT AMOUNTS PAYABLE

FEGLI pays a death benefit, accidental death benefit, and accidental dismemberment benefit. Determination of benefit amounts payable starts with the **Basic Insurance Amount (BIA)**.

The amount of Basic insurance benefits payable is dependent on the employee's current annual rate of pay at the time of death and *may* be affected by the employee's work schedule. The BIA payable consists of the current rate of pay rounded to the next highest thousand (if not already an even thousand dollar amount) plus \$2000. Employees under age 45 covered with Basic insurance automatically have extra coverage without paying any additional premium. This extra coverage increases the amount of Basic insurance payable at the time of death, if before age 45.

Accidental Death and Dismemberment Insurance (AD&D) coverage is included with Basic and Option A coverage. AD&D benefits are payable when an employee sustains bodily injuries through accidental means; as a direct result of the bodily injuries, independently of all other causes; and within one year afterwards, lose their life, a limb or eyesight.

It is critical to determine correctly the rate of pay on which the BIA is based. A law specifies what is or is not included in the rate of pay used to calculate the BIA. [CLICK HERE](#) to learn more.

Benefits under Optional insurance coverage are payable as follows:

- Option A - \$10,000,
- Option B - comes in 1, 2, 3, 4, or 5 multiples of employee's annual pay (after pay has been rounded to the next highest thousand). It does not include the extra \$2,000 added for BIA; and,
- Option C – comes in 1,2,3,4 or 5 multiples of coverage for eligible spouse and dependent children. Each multiple is equal to \$5,000 for your spouse and \$2,500 for each eligible dependent child.

## Exercise 2, identify the types of insurance available

Read more about the Amount of Insurance in the [FEGLI Handbook](#) and answer the following:

1. How is the BIA determined?

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2. Is locality pay considered part of the annual rate for insurance purposes? Explain.

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3. What is accidental death and dismemberment coverage and who pays the premium?

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4. You are asked to certify the BIA upon the deaths of several employees. What is the BIA for the following employees and the amount of Basic life insurance payable?

a. Janet dies at age 40 with a salary \$39,555. \_\_\_\_\_

b. Charles dies at age 23 at a salary of \$7500. \_\_\_\_\_

c. Cyrus dies at age 59 with a salary of \$79,235. \_\_\_\_\_

d. Skip worked at a satellite tracking station in Panama, earned \$81,065 per year, received a 2% tropical differential, and a 20% retention bonus until his death at age 62. \_\_\_\_\_

e. Pat dies at age 35 at a salary of \$31,892. She worked 24 hours per week.

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5. For the same employees, what is **the total amount of all** payable insurance benefits under the following circumstances?
- a. Janet has Option A coverage and 3 multiples of Option B. \_\_\_\_\_
  - b. Charles has Option A coverage and died as a result of injuries sustained in a car accident. \_\_\_\_\_
  - c. Cyrus, a widower with two children in college, has Option A coverage, 5 multiples of Option B, and 5 multiples of Option C.  
\_\_\_\_\_
  - d. Skip has Option A coverage only. \_\_\_\_\_
  - e. Pat, married with a small child, has two multiples of Option C coverage. \_\_\_\_\_

**Directions** - Read the following hypothetical scenario. Then answer the question.

A safety investigation into an accident at a test stand indicates that **Employee A** was under the influence of an illegal substance when he fell from a scaffolding and inadvertently grabbed **Employee B** knocking him from the scaffolding as well. **Employee A** died from the injuries. **Employee B** lost a leg because of his injuries. Six months later **Employee B** lost sight in his left eye. Subsequently, he died of his injuries.

6. What benefits are payable to each employee based on the following: The BIA for both employees is \$22,000. Employee A had Basic and Option A coverage; Employee B had Basic, Option A, Options B, and C with three multiples?

Employee A Benefits \_\_\_\_\_

Employee B Benefits \_\_\_\_\_



Check your answers in Appendix A before completing the next objective.

## Lesson

## 3

# Federal Employees Group Life Insurance (FEGLI) Eligibility

## Lesson 3 - NSSC-HRFEGLI-001\_03, FEGLI Eligibility

### Lesson Objective

At the end of the lesson you will be able to...

Identify specific eligibility requirements associated with coverage under the FEGLI Program with 85% accuracy.

### Introduction

Employees are eligible for Basic FEGLI coverage automatically, unless their positions are excluded from coverage by law or regulation or they waive coverage.

Employees are eligible for coverage beginning on the first day they enter a pay status. Employees automatically have Basic coverage and will owe premiums from the first day of eligibility. The Life Insurance Election form (SF 2817) is used if the employee decides to waive coverage. When an employee waives Basic insurance, they automatically waive Optional insurance. No withholdings will be made from their first paycheck.

Unlike Basic, Optional insurance is not automatic; an employee must specifically elect it using the SF 2817. An employee can elect Optional insurance if:

- a. They have Basic insurance,
- b. They don't have a waiver of that type of Optional insurance still in effect (or a waiver of that number of Option B or Option C multiples still in effect); and,
- c. Their pay, after all other deductions, is enough to cover the full cost.

An employee waives Optional insurance by electing **only** the types of insurance they want to have on the SF 2817. If they don't elect a particular type of Optional insurance, they are considered to have waived it. If they elect fewer than 5 multiples of Option B or Option C coverage, they are considered to have waived the multiples not elected.

Optional insurance for new employees is effective on the first day the employee is in a pay and duty status in an eligible position on or after the day the HR office (this is NSSC for NASA employees) receives the election. Pay and duty status means the employee

is not on annual leave, sick leave, donated leave, excused absence, or otherwise absent from duty.

Elections must be made within the 31-day period from the date the employee becomes eligible. The last SF 2817 that is submitted within that first 31-day period of eligibility is the election that governs. Employees should return the completed SF 2817 Life Insurance Election form preferably before the end of the first pay period but no later than 31 days after becoming eligible.

### Exercise 3a, Eligibility

Let's look more closely at eligibility. Click on the links to complete the following exercise.



[Eligibility and Exclusions](#)

Based on the employment situation described...	Eligible for FEGLI Coverage	Ineligible for FEGLI Coverage
a. Patel is an English scientist for the European Space Agency and works on the NASA/ESA Hubble telescope.		
b. Kwame is a physical engineer performing contract services for JSC on the MARS Express.		
c. Robert is a schoolteacher for the DODD School in Japan. During summer breaks, he is employed by MSFC as a Space Camp counselor and museum docent.		
d. Josie was a full time Federal employee with FEGLI coverage at KSC. She accepted a temporary, NTE 1 year, part-time KSC position without a break in service.		
e. Mark is a new full- time permanent MSFC employee.		

Based on the employment situation described...	Eligible for FEGLI Coverage	Ineligible for FEGLI Coverage
f. Sara is on leave without pay from her part-time position that conveys FEGLI coverage. She currently is on a NAFI temporary appointment that is excluded from FEGLI coverage. Her 12 months of non-pay status ends on March 31, 2008.		
g. Leslie is in the second year of her CO-OP program with GRC. She alternates semesters at school with semesters at GRC.		

Eligibility of dependents for FEGLI coverage can sometimes get tricky. Read more about dependent coverage then complete the exercise.



### [Dependents](#)

### Exercise 3b, Dependents

1. What are the requirements for coverage of a foster child under Option C?

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2. You just received a Remedy help desk ticket. An employee is requesting assistance in obtaining coverage for a handicapped son, age 22. What instructions would you give the employee?

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3. Mary wants to cover her newborn grandchild under Option C? Is her grandchild eligible for coverage? Explain.

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Check your answers in Appendix A before completing the next objective.



## Lesson

## 4

# Premiums and Withholdings

## Lesson 4 - NSSC-HRFEGLI-001\_04, Insurance Premiums and Withholdings

### Lesson Objective

At the end of the lesson you will be able to...

Explain specific premium costs and impact of effective date of coverage on withholdings under the FEGLI Program with 85% accuracy.

### Introduction

How much does FEGLI cost? The government pays two-thirds of the cost of Basic insurance; the employee pays the full amount of premiums for optional coverage.

The Handbook covers costs: specifically, effective dates of coverage of eligible employees and family members, and explains how optional insurance costs may change.



[CLICK HERE](#) to read about the cost of insurance and answer the following questions.

### Exercise 4, Insurance Costs

1. Who pays the cost of Basic insurance?

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2. What portion of the cost of optional insurance does the government pay?

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3. How does the [FEGLI CALCULATOR](#) help employees?

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4. Define the following terms:

Term	Definition
a. Concurrent Employment	
b. Non-pay status	
c. Insufficient withholdings	
d. Proration	

5. Is an employee obligated to pay the premium if an error is made in withholdings? Explain.

- a. Yes
- b. No

Directions: Answer the questions below concerning John's insurance coverage.

6. John was appointed at age 22 as a full time, permanent employee on July 28, 2008 at a salary of \$28,000 per year. He was injured on August 1, 2008 and received donated leave until he reported back to work. He filed his SF 2817 when he returned on September 29, 2008 electing Option A and 2 multiples of Option B.

a. What is the effective date of John's Basic FEGLI coverage?

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b. What is the effective date of John's optional coverage?

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c. Using FEGLI calculator, what is John's premium for Basic coverage per pay period?

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d. How much does he owe in back premiums for optional coverage?

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e. An employee called complaining that his FEGLI premium doubled and he doesn't know why. Customer stated he has made no changes. He was paying around \$82 and now the premium is approximately \$164. What could have caused the premium change?

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Check your answers in Appendix A before completing the next objective.

## Lesson

## 5

# Federal Employees Group Life Insurance (FEGLI) Changes

## Lesson 5 - NSSC-HRFEGLI-001\_05: FEGLI Changes

At the end of the lesson you will be able to...

Identify the types of FEGLI changes and whether an employee may make a specific change in their life insurance coverage with 85% accuracy.

### Introduction

Many circumstances may warrant a change in life insurance coverage. Employees may decline or waive coverage; cancel coverage; or terminate coverage by separating from service, entering an excluded position, or after 12 months in non-pay status.

Employees may change Option B and/or C coverage as a result of a defined life event (i.e., marriage, divorce, death of spouse, acquisition of an eligible child); reduce the number of multiples for Option B or C insurance; and reinstate insurance after cancellation or after a break in service in excess of 180 days. Employees may convert their insurance to a private policy if insurance coverage terminates due to separation, resignation, retirement, death, or end of 12 months in non-pay status.

All eligible employees have Basic life insurance unless they waive coverage. To waive coverage, an employee must submit a completed SF 2817. Every employee eligible for optional insurance must complete a SF 2817 to elect or decline optional insurance. This requirement does not apply where the employee previously filed an SF 2817 waiving or declining coverage.

After an election has been made, an employee may cancel Basic or optional coverage at any time. If Basic is cancelled, optional coverage is automatically cancelled. The cancellation is effective and Basic insurance stops at the end of the pay period in which the employee filed the cancellation.

If an employee waives Basic coverage and subsequently experiences a qualifying life event less than a year after the waiver took effect, the employee must still wait a year from the effective date of the waiver before he/she can provide medical information to elect Basic insurance. If approved, the employee is automatically enrolled in Basic and has 31 days to elect Option B and /or Option C coverage.

An employee may cancel Optional coverage at any time without affecting Basic coverage. The cancellation is effective and Optional coverage stops at the end of the pay period in which the employee filed the cancellation. Exception: If the employee cancels Option C because there are no eligible family members (spouse, dependent children), the effective date is retroactive to the end of the pay period in which there stopped being any eligible family members.

An employee may be eligible for a conversion policy in certain instances. A conversion policy is an individual (non-group) life insurance policy that an employee is entitled to when group life insurance ends, unless it ended because the employee voluntarily cancelled it. Under the conversion privilege, an employee may convert all or any part of Basic and Optional insurance to a cash-value-type of individual policy (but not to a term policy). No medical examination is required. NSSC must provide the notice of the loss of group coverage and the right to convert whenever insurance terminates under conditions that allow an employee to convert to an individual policy. The form used for this purpose is the Notice of Conversion Privilege (SF 2819).

There are special circumstances that may impact employees in certain instances. The BALs provide information on program changes. Please see the BAL concerning employees who are called to active military service by clicking [here](#)



Read the information in the FEGLI Handbook on [Coverage](#) and [Life Insurance Changes](#) then answer the questions below.

### Exercise 5, Changes

1. How many multiples of Option B can be obtained or added due to a Life Event?

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2. How many multiples of Option C can be obtained or added due to a Life Event?

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3. Give examples of what can be used as proof to support a change due to a life event:

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4. Stephanie goes on leave without pay October 1, 2007. Through donated leave she returns to pay status on February 1, 2008 for three months, and then goes back on leave without pay in May. When will her insurance terminate?

- 
5. Based on the scenario in question 4, what options will Stephanie have upon termination of coverage?
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6. Henry's FEGLI coverage terminated on July 1, 2000, because he was in non-pay status for 12 months. He receives 8 weeks of donated leave in August. When does his FEGLI coverage terminate?
- 
7. What form must be completed when Optional coverage stops?
- 
8. Dave has Basic and 2 multiples of Option B. He marries Janet on July 1. What changes may he make to his optional insurance coverage?
- 
9. Under what circumstances must you give an employee a Notice of Conversion Privilege?
- 
10. An employee requests assistance in converting his 22 year old daughter to a new individual, private policy. What are the main points you should cover in responding to this employee?
- 
11. John waived FEGLI coverage when he was hired December 1, 2007. He and his wife had a new baby January 31, 2008. Now John wants to enroll in Basic, and obtain Option B and C coverage with 2 multiples. Does he have any options at this stage for obtaining the coverage he desires and what are they?
- 
12. What form is used to elect, change, waive, or drop FEGLI coverage?

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13. A customer called and stated that she wants to know if she is eligible for temporary continuation of life insurance coverage. She stated she and her husband, who is a NASA employee, are in the process of a divorce.

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14. An employee called to ask: "Can I add option B or C to my FEGLI coverage at this time? I missed the deadline when I was hired in February 2008 and I currently have only FEGLI Basic." How would you respond?

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Check your answers in Appendix A before completing the next objective.

## Lesson

## 6

# Federal Employees Group Life Insurance (FEGLI)

## Designation of Beneficiary and Assignment of Benefits

### Lesson 6 - NSSC-HRFEGLI-001\_06: Designation of Beneficiary and Assignment of Benefits

At the end of the lesson you will be able to...

Describe how the Designation of Beneficiary, Living Benefits, and Assignment of Benefits affects distribution of life insurance proceeds in accordance with the FEGLI Program with 85% accuracy.

#### Introduction

When employees make changes in elections or make other changes such as a change in name upon marriage or divorce, they often forget to review their beneficiary designation(s). This may affect the way life insurance benefits are paid to survivors.



Review the [FEGLI Handbook](#)

Living benefits is a FEGLI feature available to terminally ill employees. A living benefits election allows an employee to receive a full or partial lump sum payment of their BIA if they are diagnosed with a terminal illness, and have a life expectancy of nine months or less. Living benefits can only be elected once. Partial living benefits elections must be in \$1000 multiples. If an employee wants to make a living benefit election:

- Inform the employee to contact OFEGLI at 1-800-633-4542 to request an application form FE 8, Claim for Living Benefits. OFEGLI will also send a calculation sheet to estimate the amount of available Basic insurance.
- Inform the employee that OFEGLI's administrative costs associated with processing the request will be deducted from the payment.
- Remind the employee that their physician must complete Part B of the form and submit it to OFEGLI.
- NSSC will complete the FE 8A certification when received from OFEGLI.



- OFEGLI will notify the employee directly of approval and will issue the check to the employee.
- NSSC will process the SF 50 when notified by OFEGLI of the approval.

FEGLI also allows the assignment of insurance benefits. The employee gives up ownership of the insurance (Basic and Options A and B) when it is assigned. Option C cannot be assigned. Some of the reasons an employee may assign FEGLI coverage are: to comply with a court order; for inheritance tax purposes; to obtain cash before death; or to pay off debts. A decision to assign FEGLI coverage is irrevocable. The employee completes RI 76-10, Assignment of FEGLI form. The assignment becomes effective the day the form is received. Benefits are then paid to the assignee or the assignee's beneficiaries upon the death of the employee.

*Minh has been diagnosed with terminal cancer. He has asked you what are the advantages and disadvantages of a living benefit versus assigning his benefits to a viatical settlement company. Can you explain the differences to him?*

While you cannot tell Minh which option to choose, you can share some basic information about each type such as the following:

- Living benefits are paid to terminally ill employees with a life expectancy of nine months or less. An employee may elect living benefits only once and only Basic insurance is available for a living benefit.
- Benefits payments come from the Employees' Life Insurance Fund (Part of the U.S. Treasury) and are not subject to Federal income tax.
- Viatical settlement firms are private firms not connected with the Federal Government. Viatical settlement firms pay terminally or chronically ill individuals cash in exchange for receiving the assignment of their life insurance coverage. Basic and optional coverage may be assigned. The required life expectancies vary by firm.
- The Federal law determines the amount of insurance available and the requirement for receiving a Living Benefit payment while viatical settlement firms set their own requirements and payment amounts. Viatical settlements are also not subject to Federal income tax provided the companies meet certain tax exemption qualifications.



Read more [here](#).

## Exercise 6, Beneficiaries and Assignments

Read the Scenario carefully and answer the following questions.

Stella Hubble has been deceased for 18 months. Stella's designation was as follows:

- Mrs. Galaxy, 100% of Basic unless she disclaims; and,
- 100% of optional to her son, Johnny Jetson, when he reaches age 21.

1. Who will receive benefits and what is the order in which benefits will be paid to Stella's following survivors?

a. Mrs. Galaxy – Stella's mother.

\_\_\_\_\_

b. Johnny Jetson – Stella's 18 Year old son by her first marriage.

\_\_\_\_\_

c. Bobby Hubble – Stella's stepson.

\_\_\_\_\_

d. E.T. Hubble – Stella's husband.

\_\_\_\_\_

2. Will payment of Stella's TSP proceeds follow the same order? Explain.

\_\_\_\_\_

\_\_\_\_\_

3. Does the assignment of FEGLI proceeds to Johnny in prior divorce proceedings have any impact on payment of Stella's insurance benefits to her survivors? Explain.

\_\_\_\_\_

\_\_\_\_\_

4. Can a Power of Attorney sign the SF 2823 Designation of Beneficiary form?
  - a. Yes
  - b. No
5. Sally elected a living benefit when she was diagnosed with terminal cancer. She subsequently recovered but was recently diagnosed with a recurrence of her cancer. Can she elect a living benefit based on the cancer's return? Explain.

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Check your answers in Appendix A before completing the next objective.

## Lesson

## 7

# Federal Employees Group Life Insurance (FEGLI) and Retirement

## Lesson 7 - NSSC-HRFEGLI-001\_07: FEGLI and Retirement

### Lesson Objective

At the end of the lesson you will be able to...

7a. Identify eligibility requirements and FEGLI continuation options in retirement with 85% accuracy.

7b. Explain how post-retirement reductions apply to insurance coverage with 85% accuracy.

### Introduction

An employee's coverage will automatically continue into retirement if:

- The employee retires on an immediate annuity and had the coverage for the five years of service immediately before the starting date of the annuity or,
- Annuitants retiring under the Federal Employees Retirement System (FERS) who postpone receiving their annuity, the five years immediately before their separation date for annuity purposes or,
- Maintained coverage for all period(s) of service during which that coverage was available to the employee if it's less than five years; and,
- Employees (or assignees) do not convert the coverage to a private policy.

Let's look more carefully at these criteria. An immediate annuity is one that begins within 30 days of separation for retirement. An annuity received under the Minimum Retirement Age (MRA) +10 provisions of FERS also qualifies as an immediate annuity even if an employee chooses to postpone receipt of the annuity. If the annuity is postponed, insurance coverage stops until the date the annuity begins. To be eligible to continue life insurance, an employee must have been covered under FEGLI since the first opportunity to enroll or for 5 years of service immediately before retirement. Breaks in service are not counted when determining the five years of service requirement. The 5-year requirement applies to each type of insurance coverage that can continue. AD&D coverage does not continue into retirement.

The amount of Basic insurance that an employee can continue as an annuitant is the BIA on the date of separation or completion of 12 months non-paid status, whichever is earlier. This amount continues until the employee reaches age 65, after which it may be reduced based on the election options the employee has chosen. The employee must choose the type of reduction desired by completing a Continuation of Life Insurance Coverage as a Retiree or Compensation (SF 2818). For Basic insurance, the employee can elect 75% Reduction, 50% Reduction, or No Reduction. The employee may change to 75% Reduction at any time; the coverage will be as if the employee had originally elected 75% Reduction and the "extra premium" will stop. The employee will not receive a refund of premiums.

The amount of Optional insurance in retirement depends on the options the employee had at the time of separation. This amount continues until you reach age 65, unless you elect No Reduction (for Option B and Option C only.)

The amount of Option insurance an employee can continue as an annuitant is \$10,000. If the employee is eligible to continue Option A into retirement, it will be reduced by 2% of the pre-retirement amount each month until it reaches 25% of the pre-retirement amount. The reduction starts at the beginning of the second month after the employee's 65th birthday or at retirement, whichever is later. Option A is free once it starts to reduce.

The number of multiples of Option B and Option C insurance an employee can continue as an annuitant is the number of multiples in force during the entire 5-year period of service required to continue Option B and Option C (or the employee may choose fewer multiples). If the employee retires before age 65, they have two choices at retirement: Full Reduction for all multiples or No Reduction for all multiples of Option B and/or C. If the employee chooses Full Reduction, the value of the Full Reduction Option B and/or C multiples will be reduced by 2% of the pre-retirement amount each month for 50 months, at which time coverage on those multiples will end. If the employee chooses No Reduction, the value of No Reduction Option B multiples will not be reduced. The employee will continue to pay the full premium for all No Reduction multiples until death, change those multiples to Full Reduction, or cancel those multiples.

If an employee is not eligible to carry life insurance into retirement, existing coverage is extended temporarily for 31 days during which the employee has the opportunity to convert to an individual, private policy.

What happens if a retired annuitant decides to come back to active Federal employment? When an annuitant is re-employed in a position that does not exclude coverage the Basic insurance carried as an annuitant is suspended. The person automatically gets Basic insurance just like any other employee (in fact, they have again become an employee) which includes AD&D. Withholdings are made from pay, even if over age 65. In addition, even if over age 65, life insurance coverage as an employee will not be reduced.



To familiarize you with the requirements for annuitants and also Office of Workers' Compensation Programs (OWCP) Compensationers, click on the link to complete the following exercise.

**Exercise 7 “[FEGLI and Retirement](#)”.**

**Read each scenario carefully and answer the questions.**

1. Tran elected Basic insurance on February 11, 2000 and had a break in service from January 1, 2004 through January 1, 2006. Upon her return to service, she again elected Basic insurance. She retires on December 31, 2008.

a. Is she eligible to continue her insurance into retirement? Explain.

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2. What form(s) must be completed to continue life insurance into retirement?

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3. Jonathan is considering electing a 50% reduction in coverage but wants to understand better what that will mean when he turns age 65.

a. Does the reduction start immediately upon his retirement? Explain.

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b. What happens when Jonathan becomes 65?

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c. Can Jonathan make a change later if he no longer wants a 50% reduction? Explain.

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4. Fill in the blanks to describe the responsibilities of the HR office (NSSC) when an employee retires. When an employee retires, the personnel office must advise the employee about completing the following forms and will submit them with the Application for Retirement:
  - a. The SF \_\_\_\_\_ is the form used to choose (and sign for) each type of life insurance coverage that the employee would like to have in retirement. The employee also elects the amount of \_\_\_\_\_ for Basic, Option B and Option C coverage to have after age 65. All retiring employees who are enrolled in FEGLI must complete this form.
  - b. Agencies must give the SF \_\_\_\_\_ form to all retiring employees, even if they appear eligible to continue insurance. Some employees may choose to convert Option A insurance to avoid the automatic reduction in the amount of coverage after age 65.
  - c. This SF \_\_\_\_\_ requires two certifications: one by the personnel office and one by the payroll office.
  - d. All of the employee's life insurance forms, SF \_\_\_\_\_ are included with the retirement application to verify that the employee meets the continued coverage requirements and all of the employee's forms, SF \_\_\_\_\_ identifying to whom survivor benefits are payable are included.
5. What happens to my insurance if I am reemployed in a covered position after I retire?

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6. Leesi is retiring at the end of 2009 at age 60. His final salary will be \$74,200. He has Basic Option A, and Option B 4 multiples. He plans to continue all of his coverage into retirement. He wants to elect the 50% reduction but does not want to continue paying for Option B past age 65. Leesi has requested that you provide an estimate of basic and optional insurance premiums before 65 and at 65 and older so he can decide what to do. What can you tell him?

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Check your answers in Appendix A before completing the next objective.



## Lesson

## 8

# Federal Employees Group Life Insurance (FEGLI) Survivor Benefit Claims

## Lesson 8 - NSSC-HRFEGLI-001\_08: FEGLI Survivor Benefits Claims

At the end of the lesson you will be able to...

Determine actions necessary to process employee and survivor benefits claims with 85% accuracy.

NSSC has the responsibility to advise employees or survivors on the procedures for filing a FEGLI claim upon the death or dismemberment of a NASA employee or death of a covered person. This is generally a difficult time for those involved and the Benefits Specialist must show the utmost care and concern to all parties involved in the process.

The Office of Federal Employees' Group Life Insurance (OFEGLI) adjudicates and pays all claims for benefits. OFEGLI can only pay death benefits after it has received:

- Claim for Death Benefits (Form FE 6),
- Satisfactory proof of death, including a certified copy of the death certificate; and,
- Agency Certification of Insurance Status (SF 2821).

If the employee made a designation of beneficiary, all of the Designations of Beneficiary with the SF 2821 must be sent to OFEGLI. Also any assignments and any court order(s) on file that direct payment of benefits must be sent. A dismemberment claim must include a physician's statement and a Claim for Accidental Means Dismemberment Benefits (Form FE-7).

**It is NSSC's responsibility to inform claimants of the required forms, how to complete them, and any supporting documents needed.**

The NASA Employee Benefits Association (NEBA) also offers basic life insurance for

NASA employees, dependent life insurance, and accidental death and dismemberment coverage. NEBA insurance is not to be confused with FEGLI. This is a separate policy between NEBA as the policyholder and MetLife. NSSC does not process any actions related to NEBA. Employees and/or survivors should be referred to

**MetLife Toll Free Number: 1-800-846-0124**

When NSSC receives a claim, it must check to see that it has been completed properly. The FE-6 Claim for Death Benefits form should be completed according to the instructions on page 1 of the form. In the case of the death of a family member, the claimant should complete the FE-6 DEP, *Statement of Claim*, Option C -- Family Life Insurance according to instructions on the form. In all cases, the name and date of birth as shown on the claim form must agree with the information on the agency certification. If there is a discrepancy, we must attach a statement to the claim verifying that both the claim and the agency certification refer to the same person. NSSC must also cooperate with OFEGLI in any pre-payment verification by providing necessary information, for example: the insured's current salary, annual salary (if different), and details on enrollment in Optional insurance.



Read more about [Claims](#)

### Exercise 8, Claims

1. If the benefit amount for the claim exceeds \$5000, the claimant will receive a check for the benefit amount payable.
  - a. True
  - b. False
2. If the claimant receives a checkbook, the maximum amount of any check written is \$250.
  - a. True
  - b. False
3. Which parts of the FE 6 must a widow or widower complete? \_\_\_\_\_
4. What must the death certificate show?  
\_\_\_\_\_
5. Must the claimant provide birth or marriage certificates along with the FE 6 DEP?

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6. If retired or receiving workers compensation benefits, where should claims forms be sent?

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7. What steps will OFEGLI take if a minor child is entitled to payment of FEGLI benefits?

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Check your answers in Appendix A before completing the next objective.

## Lesson

## 9

# Processing Federal Employees Group Life Insurance (FEGLI) Actions

## Lesson 9 - NSSC-HRFEGLI-001\_9, Processing FEGLI Actions

### Lesson Objective

At the end of the lesson you will be able to...

9a. Use the Guide to Processing Personnel Actions to code the Standard Form 50, "Notification of Personnel Action".

9b. Recognize and select the information needed to process the most common type of FEGLI action (NOAC 881) in FPPS with 100% accuracy.

### Introduction

In addition to the FEGLI Handbook, "The Guide to Processing Personnel Actions" contains the OPM's instructions on how to prepare personnel actions. The Federal Pay Personnel System (FPPS) is the electronic tool used to create the personnel actions that document elections and FEGLI changes. Information created that must be retained along with any form(s) submitted by the employee is placed in the electronic Official Personnel File (eOPF) in accordance with instructions contained in "The Guide to Personnel Recordkeeping."

The basic tool used to document personnel actions is the SF 50, Notification of Personnel Action. When an employee has decided on FEGLI coverage, the determination must be documented in Block 27 on the SF 50.



Let's take a look at the [SF 50](#).

### Exercise 9a, SF- 50 Coding

1. Which block indicates the effective date of an action?

\_\_\_\_\_

2. Which block provides information that is needed to calculate the BIA?

- 
3. The Remarks section and which other block will show if an employee is a re-employed annuitant?
- 

4. Josie is not on a full time schedule. Which block(s) will tell me what type of schedule she is on?
- 

## Processing FEGLI related actions

You should follow four basic steps to document changes to FEGLI coverage on the SF 50.

**Step One.** The first step in documenting the SF 50 is to determine what kind of action has been requested or is needed and to select the Nature of Action Code and Legal Authority for the action. See Chapter 22 of [The Guide to Processing Personnel Actions](#).

Some actions use the same coding. For example: What are the NOA, NOAC, and Legal Authority for the following 3 examples:

- Mary increases multiples of Option C insurance,
- John waives Basic insurance; and,
- Sam elects Option B coverage.

That's right - NOAC -881, NOA - Chg in FEGLI, Legal Authority Code - DPM, Legal Authority - 5 U.S.C., Ch 87!. There is no difference!

**Step Two.** The next important step in the process is to determine the effective date of the action. You can use the [SF 2817](#) as a job aid to help you determine the effective date of coverage in the following example.

Mary had a baby and submitted her SF-2817 to elect family coverage on November 30, 2008 when she returned to duty from LWOP. Her coverage for her new baby becomes effective on \_\_\_\_\_?

The correct answer is November 30, 2008 as Family coverage elections and changes due to acquisition of an eligible child become effective the date the SF 2817 is submitted to HR and the employee is in a pay status.

**Step Three.** The third step is to identify the correct remarks from the table (22 B) and to consider whether there are any required Agency remarks that must be included. Not every action has remarks.

**Step Four.** Finally, the SF 50 is completed and information is documented using FPPS.

The action is LGAP'd and RLUP'd in FPPS and released for payroll processing and to flow to the eOPF for retention. Any documents that must be retained to support the action are forwarded to the NSSC HR eOPF team for scanning and inclusion in the eOPF.

Let's look at what happens as an action is processed in FPPS. [Click here to see demo.](#)

## Exercise 9b - Processing Actions

**Directions:** To complete the following questions, use the following references: Guide to Processing Personnel Actions, FPPS Demo, and the FEGLI Handbook.

1. Scenario - employee loses coverage because he moves from a part-time to intermittent work schedule. Complete the following questions based on Chapter 22 of [The Guide to Processing Personnel Actions](#).
  - a. The NOA is \_\_\_\_\_
  - b. The NOAC is \_\_\_\_\_
  - c. The Legal Authority Code is \_\_\_\_\_
  - d. Legal Authority is \_\_\_\_\_
  - e. The Remark Code is \_\_\_\_\_
  - f. The Remark is \_\_\_\_\_
2. Scenario - Sonia is a new employee. She elects Basic, Option A and Option B, two multiples when she enters on duty. Answer the following:
  - a. Block 27 will be coded \_\_\_\_\_
  - b. The Remark Code is \_\_\_\_\_
3. Scenario - Tony is transferring from a position with a full-time schedule to a position with a part-time schedule on December 21, 2008. His last day in the full-time position is December 20, 2008. He is not expected to return to the full-time schedule. What is the effective date of the change?  
\_\_\_\_\_
4. Scenario - Lauren is a permanent full-time employee with basic life insurance coverage. Because of an illness, Lauren has been in non-pay status for 365 days. Therefore Lauren's life insurance coverage must be terminated. What remark must be shown on Lauren's SF 50?  
\_\_\_\_\_
5. Scenario - Moe has made an assignment of life insurance based on a court order. Should you prepare a SF 50? Why?  
\_\_\_\_\_
6. Which FPPS screen is used to enter the SF50 Signature Code, the SF50

Signature Date and the new FEGLI code?

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Check your answers in Appendix A.

### **SATERN Learning Plan Update**

Once you have completed this SSP, log on to SATERN and record the learning item in your learning plan. For directions, click on this link “[Instructions on How to Record Items to your Learning History](#)”.

## Appendix A - Answer Key

### Exercise 1 - Terminology

ALL TERMS ARE DEFINED IN THE GLOSSARY OF THE FEGLI HANDBOOK.

### Exercise 2a, Benefits Payable

1. Annual rate of basic pay rounded to next highest thousand (if not already an even thousand) and add \$2000.
2. Yes. Interim geographic adjustments and locality-based comparability payments as provided by PL 101-59 are included.
3. Benefits payable when covered employee sustains bodily injuries solely through a means and independently of other causes; and, within one year of event, loss of life, limb or eyesight. Paid as part of Basic and option A coverage; no additional premium.
4. See chart below

BIA	BASIC AMOUNT PAYABLE
a. \$42,000	\$63,000
b. \$10,000	\$20,000
c. \$82,000	\$82,000
d. \$85,000 (Tropical pay is part of basic pay, retention pay is not. \$81,065 + 2% (\$1621) = \$82,686 rounded + \$2000 = \$85,000)	\$85,000
e. \$22,000	\$44,000

5. See Chart

Total Benefits Payable	Explanation
a. \$193,000	Basic amt payable = \$63,000 Option A = \$10,000 Option B = \$39,555 rounded x 3 multiples = \$120,000 Total = \$193,000
b. \$50,000	Basic amt payable = \$20,000 Option A = \$10,000 AD&D = \$20,000 Total = \$50,000
c. \$492,000	Basic amt payable = \$82,000 Option A = \$10,000 Option B = \$79,235 rounded X 5 multiples = \$400,000 Option C = 0 Total = \$492,000
d. \$93,000	Basic amt payable = \$83,000 Option A = \$10,000 Total = \$93,000



Total Benefits Payable	Explanation
e. \$44,000	Basic amt payable = \$44,000 Option C = 0 Total = \$44,000

6. **Employee A** survivors will receive BIA \$22,000 + Option A \$10,000 = **Total \$32,000**. No AD&D because of circumstances of death. **Employee B** will receive BIA \$22,000 + Option A \$10,000 + Option B x 3 multiples \$60,000, Basic AD&D (leg and eye) max \$22,000 + Option A AD&D max. \$10,000 = **Total \$124,000**.

### Exercise 3a

- Patel – ineligible – not a federal employee
- Kwame – ineligible – not a Federal employee
- Robert – ineligible – DODDS teacher employed during recess
- Josie – eligible
- Mark – eligible
- Sara – eligible
- Leslie – eligible

### Exercise 3b

- Unmarried and under age 22 (or incapable of self-support if older), lives with employee and has parent-child relationship with employee, and employee is primary source of financial support and expects to raise the child to adulthood.
- Submit a doctor's certificate stating why son is incapable of self-support and disability is expected to continue for more than a year. Include child's name, type of disability, how long it has existed, expected further course and duration. NSSC will document determination and place copy in eOPF (not medical information).
- Meets same requirements as for foster child, otherwise not an eligible family member.

### Exercise 4, Insurance Costs

- The employee pays two-thirds of the cost and the government pays one-third.
- The government pays nothing; all costs are paid by the employee.
- It helps employee determine the value and calculate the premiums for various combinations of coverage.
- Definitions can be found in FEGLI Handbook.
- Yes, pay is adjusted in a subsequent payroll.
- July 28, 2008.
  - September 29, 2008.
  - Using FEGLI calculator (as of 1/1/09): \$4.50.
  - 0, not effective until filed and in a pay status which John did upon his return so he owes no back premiums.

- e. Before contacting the employee, review his eOPF to determine if any of the following situations occurred: a salary increase, a birthday affecting the cost of optional insurance, or additional payroll withholdings to correct a prior insufficiency. Each or a combination of these circumstances have the potential to affect the employee's withholdings.

## Exercise 5, Changes

1. Marriage – depends on number of eligible family member acquired; Divorce and death – depends on total number of eligible children; Birth or Adoption – depends on total number of eligible children born or adopted based on the current event. In no case can employee exceed 5 multiples.
2. From 1-5 multiples for any life event.
3. Marriage certificate, birth records, divorce decree, death certificate, certification statement for foster children.
4. December 31, 2008 based on 12 months in non-paid status (Oct 07 – Jan 08, May – Dec 08). She may have a 31 day extension in coverage and conversion privilege to a non group contract for an individual policy.
5. July 1, 2000. Donated leave does result in required pay and duty status for FEGLI coverage.
6. SF 2821, Agency Certification of Insurance Status.
7. Dave can increase Option B coverage adding another multiple based on acquiring a spouse and he may add additional multiples for any eligible children acquired for a total of 5 multiples. Dave may choose any number of multiples of Option C.
8. The SF 2819 must be provided whenever insurance terminates other than through voluntary cancellation or waiver, and when the employee retires.
9. In a customer contact, you should always probe judiciously to ensure you have all the relevant facts pertinent to the customer's situation. You should always review the FEGLI Handbook to ensure you are providing a correct response. In this case, per the Handbook - ***When Conversion is not Permitted***
10. Family members do not have the right to convert coverage under other circumstances in which coverage ends, such as divorce, your child's marriage, or your child's reaching age 22.

Consequently, you need to verify the employee's status (i.e., continuing employment, not terminating, etc.) to determine that there is no event giving rise to a conversion or continuation of coverage privilege. Verify that employee has Option C family coverage. Ascertain the daughter's situation more fully (is she incapable of self-support because of a pre-existing mental or physical disability). If there are no extenuating circumstances, the following points apply:

- In general, family members do not have a conversion privilege simply because a child reaches age 22.
- The employee's daughter may seek an individual policy of her own.
- The employee may desire to reduce multiples of Option C coverage to reduce premiums

11. John must cancel the existing waiver of Basic insurance. He must wait until 1 year has passed since the effective date of the cancellation (Dec. 2008) to file the SF 2822 and he must provide medical evidence of insurability. If his request is approved by OFEGLI, he has 31 days from the date of approval to elect optional coverage.
12. SF 2817
13. Family members do not have the right to convert coverage under other circumstances in which coverage ends, such as divorce.
14. A Qualifying Life Event (QLE) must occur or an open season to permit the employee to elect additional coverage. Open seasons are extremely rare. Identify the QLEs that permit a change and ascertain whether such an event has occurred in the permissible period to allow the employee to make a change. If not, then the employee must wait until occurrence of a QLE.

### **Exercise 6, Beneficiaries and Assignments**

1. Because of problems with her beneficiary designations, payment will follow the normal order of precedence, that is, her widower E.T. Hubble will receive the proceeds of her insurance.
  - Mrs. Galaxy – disclaimed since 18 months have passed since Stella's death.
  - Johnny Jetson – unacceptable provision.
2. No, TSP payments do not follow the same order and require a separate beneficiary designation.
3. Yes, if there is a court order assigning the insurance to Johnny, he will receive all proceeds.
4. No.
5. No. An employee can elect a living benefit only once.

### **Exercise 7, FEGLI and Retirement**

1. She is eligible to continue her insurance into retirement, since she has been continuously enrolled for the 5 years of service before retirement.
2. SF 2818, Continuation of Life Insurance.
3. The amount of Basic life insurance in force reduces by 1% of the original amount each month until the original amount has been reduced by 50%; 50% of the BIA is payable as a death benefit once the full reduction is reached. The reduction starts at the beginning of the 2<sup>nd</sup> month after Jonathan's 65th birthday. Jonathan can cancel the 50% Reduction election at any time as long as he has not assigned his insurance or elected a partial living benefit. He will automatically get 75% Reduction. This is the only change in election that is permitted.
4. a. 2818, reduction.  
b. 2819.  
c. 2821.  
d. 2823.
5. When you are reemployed in a position that does not exclude coverage, the Basic insurance, Options A and C you carried as an annuitant is suspended. You automatically get Basic insurance including AD&D just like any other employee. You will also get Option A and C. If you don't have it, you can elect it

if you have had a break in service of 180 days. Withholdings are made from your pay, even if you are over age 65. In addition, even if you are over age 65 your life insurance coverage as an employee will not be reduced. You will be given a 31-day window to elect whether to keep Option B as an annuitant or elect it as an employee.

6. The focus of Leesi's concern is reducing Option B insurance at age 65. Per the Handbook, Leesi can only elect no reduction or full reduction for Option B coverage. There is no option to elect a 50% reduction for Option B. If he initially elects no reduction of Option B, he can later change to full reduction at any time. When he becomes 65, he can change his election if he so desires and will not have to continue to pay premiums. Once he makes the change, the amount of insurance in force will be computed as if he had elected Full Reduction originally. He will not get any refund of premiums. To provide further information, you can use the most current FEGLI rate charts to provide an estimate of other insurance costs.

### Exercise 8, Claims

1. False.
2. False.
3. Part C, items 4-13.
4. The death certificate must be certified and show the cause and manner of death.
5. Not required.
6. OPM.
7. When a minor is entitled to payment of benefits, the OFEGLI will: pay the court-appointed guardian of the minor child's estate; pay the parent(s) of the minor child, *if* the proceeds are \$10,000 or under; or hold the proceeds on deposit until the minor child reaches adulthood.

### Exercise 9a, SF 50 Coding

1. Block 4.
2. Blocks 20A, B, C and D.
3. Block 28.
4. Blocks 32 and 33.

### Exercise 9b, Processing Actions

1. a. Chg in FEGLI.  
b. 889.  
c. DPM.  
d. 5 U.S.C., Ch. 87.  
e. B46.  
f. SF 2819 was provided. Life insurance coverage is extended for 31 days during which you are eligible to convert to an individual policy (nongroup contract).
2. a. L0.  
b. B51.
3. There is no change in FEGLI coverage, both positions are covered and there is

- no break in service.
4. B46.
  5. There is no requirement to prepare a SF 50; however, a copy of the court order and RI 76-10 should be placed in the employee's personnel folder.
  6. SF50/SF52 Position/Employee Information Screen.